

Comptroller's Directive No. 2-05
Attachment 13
Capital Asset Accounting and Control System (FAACS) Analysis

Purpose

To obtain information on capital assets recorded in fund 1500 on FAACS and CARS as follows:

- Provide a fluctuation analysis for each general ledger account recorded in Fund 1500. This analysis includes acquisition and disposal amounts and CIP reclassifications. (Part 1)
- Information regarding disposal of capital assets including whether any capital assets were traded in on new capital assets and revenue source codes used in CARS to record the proceeds from the sale / disposal of capital assets. (Part 2)
- Comparison between expenditure amounts recorded in CARS for program 998, Capital Outlay Projects, and the current year acquisitions recorded in FAACS for Construction in Progress (CIP). (Part 3)
- Detail of CIP additions, CIP deductions, and the corresponding increases to other asset categories that resulted from CIP deductions. (Part 4)
- Certification regarding inventory of capital assets. (Part 5)

This attachment is similar to prior year's Attachment 13.

Applicable agencies

Agencies that account for capital assets in Fund 1500 on FAACS and CARS.

Exemptions: The following agencies provide financial statement template or supplemental information and do not need to submit this attachment.

- Virginia Correctional Enterprises
- Department of Mines, Minerals and Energy
- Department of Environmental Quality
- Department of Medical Assistance Services
- Virginia Employment Commission
- Department of Transportation
- Department of Rail and Public Transportation
- Virginia Information Technologies Agency
- Woodrow Wilson Rehabilitation Center

Due date

August 18, 2005

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Questions?

Please direct all questions regarding this attachment to:

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**Submission
requirements**

Contact DOA if the agency has any problems with the files.

After downloading the files, rename the spreadsheet file using the agency number followed by Att13. For example, agency 151 should rename its Attachment 13.xls file as 151Att13.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.

Copy APA via E-mail to APAFinRept@apa.virginia.gov.

Do **not** submit paper copies of the excel attachment.

**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the [Revision Control Log Tab](#) in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

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Materiality

Explain variances that are greater than or equal to 10% of the difference between the fiscal year 2004 and fiscal year 2005 GLA amounts **AND** \$1,000,000.

**Completing
Part 1**

Part 1 contains the format for the fluctuation analysis. Information should be obtained from the FAC 736 / 767 reports.

Note: Round all amounts to the nearest dollar.

Step	Action
1	<p>Each agency should click on the down arrow in the “Control Agency” column. Scroll to the appropriate agency and click on it. Most agencies and control agencies are the same; however, there are some agencies (e.g. Mental Health, Corrections) that control numerous agencies.</p> <p>Performing this step will allow only the applicable agency or agencies to display. All other agencies will be hidden by Excel.</p>
2	<p>In the “Beginning Balance” column, record the amount on the FAC 736 / 767 reports as of July 1, 2004 for each category (i.e., Land, Buildings, Infrastructure, Equipment, Construction in Progress, and Accumulated Depreciation for Buildings, Infrastructure and Equipment). If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.</p>
3	<p>Record acquisitions of capital assets. Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP. This activity will be reported in Step 5.</p> <p><u>Note:</u> The project number, description and amount of additions to CIP should be documented on the CIP Analysis tab – Part 4.</p>
4	<p>Record the deductions of capital assets. These amounts should be recorded as a negative. Exclude the amount of Construction in Progress (CIP) that would be an addition to another asset category and a deduction from CIP. This amount will be reported in Step 5.</p>

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Completing Part 1 (continued)

Step	Action
5	Record the amount that represents CIP completed and added to another category. The CIP decrease should be recorded as a negative and the increase in the other category should be a positive. These amounts should net to zero. Note: Provide the FAACS ID number, tag numbers and descriptions of additions to capital assets (buildings / infrastructure) that are a result of decreases to CIP in the CIP Analysis tab – Part 4 . If more detail information is needed for Construction in Progress, the agency can use the FAC 751 report.
6	This column has formulas. Agree amounts to the FAC 736 / 767 reports as of June 30, 2005, for fund 1500 by GLA. For amounts that do not agree, recheck amounts and formulas.
7 – 9	Identify GLAs with material variances. Use the materiality level set in the materiality section on page 3 of these Instructions. Review changes for each asset category separately. Consider increases and decreases separately when analyzing the changes. To help, use the following guidelines: <ul style="list-style-type: none"> • <u>Land, Buildings, or Infrastructure (formerly Improvements)</u>: Identify the tract of land, building, or infrastructure for material changes. • <u>Construction in Progress (CIP)</u>: Identify the project code for material changes. • <u>Equipment</u>: Provide a general description of changes. Record “No” for immaterial variances.

Completing Part 2

This questionnaire is to analyze information for GASBS No. 34 and to document that ending balances on the fluctuation analysis (part 1) agree to FAACS.

Step	Action
1	If ending balances on the fluctuation analysis (part 1, step 6) do not agree to the FAC 736 / 767 reports as of June 30, 2005, or the amounts are not correct, explain the differences.

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Completing Part 2, continued

Step	Action
2	Sale / Disposal of Capital Assets For the sale / disposal of capital assets, were there any sales / disposals of capital assets with a historical cost > \$50,000 for fiscal year 2005? If yes, provide asset and coding information required in the table provided.
3	Trade-ins State whether there were any disposals of capital assets during fiscal year ended June 30, 2005, that were for trade-ins on new capital assets. If there are, complete the table. On the left side state the asset that was traded-in, and on the right state the corresponding asset that was purchased.

Completing Part 3

This questionnaire is to analyze the amounts reported for Construction in Progress.

Step	Action
1a	Additions – Construction in Progress (CIP) <ul style="list-style-type: none"> Enter the amount recorded on CARS as expenditures for program code 998, Capital projects, for fiscal year ended June 30, 2005. This amount can be obtained from the CARS 1408A2 Report (Statement of Appropriations, Allotments, and Expenditures – Non Operating). Enter the amount included in the expenditure total that represents maintenance reserve expenditures, if any, that will not be capitalized as CIP. This amount should be recorded as a negative.
1b	<ul style="list-style-type: none"> Enter the amount of expenditures, if any, recorded in a program other than 998 that should be recorded as CIP. Enter the amount of current year additions (included in part 1, step 3) recorded in FAACS for CIP. Explain differences in these amounts.

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Completing Part 3, continued

Step	Action
2	<p>Correcting CIP Beginning Balance, Additions, Deductions, and Ending Balances</p> <p>If a difference was noted in Step 1 or the amounts recorded in FAACS for CIP are not correct enter the correct balances.</p> <ul style="list-style-type: none">• CIP Beginning Balance – this amount should include prior year expenditures that are recorded in FAACS in the current year.• CIP Additions – this amount should be based on current year expenditures that will eventually be reported as a capital asset.• CIP Deductions – this amount should relate to corresponding increases in another asset category.

**Completing
Part 4**

This questionnaire is to report the details related to increases reported for Construction in Progress.

- The total increases reported in Part 4 should agree to the amount reported for CIP Additions in Part 3, Question 2.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the increase for each item.

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**Completing
Part 5**

This questionnaire is to report the details related to decreases reported for Construction in Progress.

- The total decreases reported in Part 5 should agree to the amount reported for CIP Deductions in Part 3, Question 2.
- The total increases to Building and Infrastructure in Part 5 should agree to the amount reported in Part 1, Step 5 for Building and Infrastructure.

Note: Provide the Project Number, FAACS ID number, Description, and the amount of the decrease for each item.

**Completing
Part 6**

This questionnaire is to analyze inventory and fully depreciated assets.

Action
<p>Answer the following questions.</p> <p>a) Has the agency completed an inventory of capital assets in fiscal 2005? If no, then state the year the last inventory was completed.</p> <p>b) When will the next inventory of capital assets be completed?</p> <p>For certification purposes, type the name, title, phone number, and E-mail address of the agency representative who ensures such an inventory has been conducted.</p> <p>Note: If the agency has a fully depreciated asset in FAACS that is no longer in use, reclassify it as a surplus item on the FAACS system.</p> <p>c) Provide a description of the useful life methodology that has been developed.</p>

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